



Health Service
LOS ANGELES COUNTY

October 4, 2011

**Los Angeles County
Board of Supervisors**

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF SOLE SOURCE PROPOSITION A AGREEMENT
FOR HOUSEKEEPING STAFFING SERVICES
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

Request approval of a new sole source Proposition A agreement with Diamond Contract Services, Inc. for supplemental Housekeeping Staffing Services for the Department of Health Services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Make a finding pursuant to Los Angeles County Code Section 2.121.420 that Housekeeping Staffing Services, as described herein, can be performed more economically by an independent contractor.
2. Instruct the Mayor to execute a Proposition A (Prop A) Agreement with Diamond Contract Services, Inc. (Diamond), effective upon Board approval, for the provision of Housekeeping Staffing Services at LAC+USC Medical Center (LAC+USC MC) for one year, with an annual total cost of \$2,546,469 and an option to extend the term on a month-to-month basis, not to exceed six months, for an additional cost not to exceed \$1,273,234.
3. Delegate authority to the Director of Health Services (Director), or his designee, to execute amendments to the Agreement to: a) exercise the option to extend the term on a month-to-month basis for up to six months under the same terms and conditions; b) add and/or change non-substantive terms and conditions in the Agreement as required by your Board; c) delete staff and make necessary changes to the scope of services; and d) add additional

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners



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The Honorable Board of Supervisors
October 4, 2011
Page 2

staff for emergency and expanded services at a cost not to exceed 10 percent of the annual maximum contract sum.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Department of Health Services (DHS) currently accesses Internal Services Department's (ISD) custodial contract for supplemental custodial services at LAC+USC MC. These services are used to augment County staff. Until recently, ISD provided DHS with this supplemental staffing using a contract with Premier Building Maintenance Services (Premier). However, as ISD advised your Board on July 5, 2011, Premier gave notice that it filed a Chapter 11 bankruptcy petition on June 27, 2011 and subsequently ceased providing services. As a result, ISD made temporary arrangements with Diamond to provide services until DHS obtained a replacement agreement.

Approval of the Recommendations will enable Diamond to continue the provision of services at LAC+USC MC pursuant to a DHS administered Agreement until a competitive solicitation can be completed by DHS. This Agreement will give DHS the reasonable transition period that it initially had hoped to have and also will ensure uninterrupted housekeeping services to maintain patient care and safety. DHS will release a Request for Proposal by November 1, 2011.

Approval of the first recommendation is necessary to comply with Los Angeles County Code Section 2.121.420, which requires that contracting under Prop A be cost-effective and operationally feasible. DHS and the Auditor-Controller (Auditor) have made that determination and Attachment A provides the cost analysis.

Approval of the second recommendation will allow the Mayor to execute a sole source Agreement with Diamond, Exhibit I, to provide Housekeeping Staffing Services at LAC+USC MC for the recommended term.

Approval of the third recommendation will allow the Director to exercise delegated authority in compliance with Los Angeles Code Section 2.121.300. The Agreement contains an express delegation of this authority for the Director to: a) exercise the option to extend the term of the Agreement; b) add and/or change non-substantive terms and conditions in the Agreement as required by your Board; c) delete staff and make necessary changes to the scope of services; and d) add additional staff for emergency and expanded services at a cost not to exceed 10 percent of the annual maximum contract sum.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, and Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The annual estimated net County contract costs for the provision of Housekeeping Staffing Services for LAC+USC MC is \$2,546,469 (Attachment B). A cost analysis for Housekeeping Staffing Services was prepared in accordance with Auditor-Controller guidelines and methodologies. DHS has determined that the contract is cost-effective. Attachment A provides additional information.

Funding is included in the DHS Fiscal Year (FY) 2011-12 Adopted Budget and will be requested as a continuing appropriation in future fiscal years' budgets.

The Sole Source Agreement under the Prop A exception to the Civil Service requirement to use County employees will save the County approximately \$782,646, an average savings of 24 percent for LAC+USC MC.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended Sole Source Agreement is for a one-year term with six (6) one month extensions. Attachment C is a sole source justification checklist in compliance with Board Policy 5.100.

The Agreement may be terminated for convenience by the County at its sole discretion, with no less than ten days' written notice.

County Counsel has reviewed and approved the recommended Agreement as set forth in Exhibit I as to use and form.

Chief Executive Office, Risk Management has reviewed and approved the insurance and indemnification provisions of the Agreement.

It has been determined that the provision of services by the Contractor under the recommended Agreement is subject to Prop A guidelines which include the Living Wage Program set forth in Los Angeles County Code Chapter 2.201. Contractor is in compliance with the Living Wage Program requirements.

The award of this Agreement will not result in unauthorized disclosure of confidential information.

The Honorable Board of Supervisors
October 4, 2011
Page 4

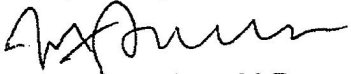
CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the continued provision of Housekeeping Staffing Services at LAC+USC Medical Center.

Respectfully submitted,



Mitchell H. Katz, M.D.
Director

MHK:tvf

Enclosures (4)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department